
HOUSING AUTHORITY OF THE
COUNTY OF SAN DIEGO

Notice of Funding Availability (NOFA)
For
Acquisition of
Las Casitas de Solana
859 – 863 Vera St., Solana Beach

Release Date: February 9, 2012

Submission Closing Date: June 30, 2012

David Estrella
Deputy Director

www.sdcounty.ca.gov/sdhcd/library/nofa.html

3989 Ruffin Road • San Diego, CA • 92123-1815 • 858/694-4817 • FAX: 858-694-4871

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GENERAL INFORMATION

In releasing this Notice of Funding Availability (NOFA), the Housing Authority of the County of San Diego (HACSD) is issuing notice that HACSD will provide owner financing of up to \$625,000 as financial assistance to a qualified housing provider to acquire the Las Casitas de Solana affordable housing development (the "Project"). The Project is currently owned by HACSD.

The Project is comprised of three detached homes located on one parcel at 859, 861 and 863 Vera Street, Solana Beach, CA 92075. Each home has four bedrooms, two bathrooms, and a double-space garage. The Assessor's Parcel Number is 298-140-21-00.

The Project is currently occupied by three qualifying households that will continue to occupy their current units. The Project has recorded Deed Restrictions (Doc. # 1994-0035853 and 1994-0073777) requiring occupancy to be limited to very low-income households with initial household income at or below 50 percent of the area median income. These restrictions have no expiration term and shall be in effect in perpetuity.

As a result of the original Project financing provided in 1994, the Project and occupancy restrictions shall continue to be administered under the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships (HOME) program.

Qualified housing developers, who can demonstrate their ability to acquire and maintain affordable housing developments, are encouraged to submit an application.

Applications addressed to "Housing Authority of the County of San Diego, Attn: Community Development Division" will be received at HACSD offices, at 3989 Ruffin Road, San Diego, CA 92123, until June 30, 2012. HACSD reserves the right to close the open application process at any time. Applications must consist of a signed original and one copy of the complete application packet. Each application must be in a three-ring binder with individual tabs identifying the application requirements or attachments. Faxed copies will not be accepted.

FUNDING AVAILABILITY

In releasing this NOFA, HACSD is announcing the funding availability of a loan of up to \$625,000 to finance the acquisition of the Project. The loan will be carried by the HACSD, and offered as owner financing. The Project was appraised on September 30, 2010, at \$625,000, subject to the Deed Restrictions. Applicant will be responsible for obtaining a current appraisal. The loan repayment terms will be three percent simple interest and paid through annual residual receipts. The unpaid balance and accumulated interest will be due and payable in 55 years. The borrower will be responsible for all associated escrow, transfer, and closing costs fees.

DEFINITION OF AFFORDABLE RENTS

The HOME program definition of affordable rents is published by HUD and adjusted annually. HOME rents are established for households with incomes at or below 50 percent of the area median income, which are known as Low HOME rents, and households at or below 65 percent of the area median income, known as High HOME rents. **Affordable rents will be restricted to the Low HOME rent limits for a four-bedroom property.** Affordable rents will be

determined by subtracting the family paid utilities from the applicable HOME rent. HOME rents can be found in Attachment B to this NOFA.

APPLICANT CAPACITY

Applicant capacity to perform administrative, managerial, and operational functions, and to oversee the work necessary for successful completion of the proposed project, will be evaluated. Please provide the Applicant's Disclosure Statement (Attachment E).

To be eligible for financing, an applicant must exhibit the prior work of staff, partners, or consultants resulting in successful development of affordable rental housing. Successful development may be in operation, construction, acquisition, acquisition with rehabilitation, or any combination of accomplishments that created or preserved affordable rental housing.

CONDITIONS

By the act of submitting a proposal, applicants acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information they submit. HACSD reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements, or cancel this NOFA at any time. All submittal packages become the property of HACSD and, as such, are subject to the Public Information Act and become public property.

All requirements of the HOME program apply under this NOFA. Assistance with these regulations may be obtained from HACSD by calling (858) 694-4805. For reference, a description of the HOME program is provided in Attachment A.

TECHNICAL ASSISTANCE, CLARIFICATION AND ADDENDA

Requests for clarifications regarding this NOFA should be directed to: Maria Cavarlez, Department of Housing and Community Development, 3989 Ruffin Road, San Diego, CA 92123, (858) 694-4805, or Maria.Cavarlez@sdcounty.ca.gov.

PROPOSAL REVIEW

Initial proposals are subject to preliminary review for completeness. HCD staff will review all proposals containing the required items. Applicants submitting incomplete or ineligible proposals will be so notified. The selection procedure will include evaluation of proposal financing demonstrated in the NOFA Application and the development pro formas submitted by the applicant. A determination will also be made concerning the consistency of the proposal with the strategy and priorities developed by the County of San Diego for the use of HOME program funds. Applicants must comply with the regulations of the HOME program.

REQUIREMENTS FOR SUBMITTAL

To be responsive, a NOFA Application must contain the following items:

NOFA Application Checklist and Applicant Experience

Development Forms: Rental Income, Operating Expense, and Multi-year Cash Flow. The estimated Rental Income form will be used to determine financial feasibility and affordability of the project. (Use Attachments B and C to make the necessary calculations.)

Appraisal

An Appraisal Report, prepared by an MAI designated member of the Appraisal Institute, is required. The appraisal must provide an opinion of value determined in compliance with the recorded Deed Restrictions (Doc. # 1994-0035853 and 1994-0073777) requiring occupancy to be limited to very low-income households with initial household income at or below 50 percent of the area median income. Rental rates are restricted to the Low HOME rent limit. (See Attachments B and C.) The appraisal must meet the definition of an appraisal found at 49 CFR 24.2(a)(3) and the URA provisions at 49 CFR 24.103. The appraisal must be dated within 60 days of the final purchase offer.

Articles of Incorporation and By Laws

Audited Financial Statements

Submitted audited financial statements must be current within the last 12 months, and must include a Financial Statement indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses, and the amounts of any fiscal reserves. (Such audit shall be prepared in accordance with the requirements of the County, certified by an independent certified public accountant licensed in California or other accountant acceptable to the County).

In accordance with Office of Management and Budget OMB Circular A-133, any non-federal entity, including States, Local Governments, and Non-Profit Organizations, that expend \$500,000 or more in a year in Federal awards shall have an OMB Circular A-133 single audit conducted for that year.

(See http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf.)

If applicable, provide a copy of the OMB Circular A-133 audit and written notification of the results of the OMB Circular A-133 audit. In addition, in compliance with all Federal requirements provide HCD with the corrective action plan for any deficiencies identified in the OMB Circular A-133 audit and the latest status of the corrective action plan.

Board Resolution

An applicant must submit a resolution of its Board of Directors authorizing the submittal of a proposal and identifying who is authorized to execute documents. (Use Attachment G.)

Certifications:

- For CBDOs, a copy of CBDO certification
- For CHDOs, a copy of CHDO certification
- For Nonprofit Organizations-proof of 501(c)(3) status and an up-to-date roster of the applicant's board of directors.

Certificate of Compliance with the HCD Equal Opportunity Program

It is the policy of HCD to encourage equal opportunity in contracts. HCD endeavors to do business with firms sharing HCD's commitment to equal opportunity and will not do business with any firm that discriminates on the basis of race, religion, ancestry, age, gender, disability, medical condition or place of birth. (Use Attachment H.)

Community Review and Land Use Approvals

Applicants must have all applicable local land use approvals at the time of NOFA submittal, or must present a reasonable plan and timeline detailing how the applicant will obtain any discretionary approvals for the project. Examples of such approvals include, but are not limited to, general plan amendments, rezoning, and conditional use permits. Local land use approvals not required to be obtained at the time of application include design review, Phase I Environmental study, variances, and development agreements.

Whether or not discretionary permits are necessary, applicants submitting proposals involving new construction, acquisition, or change of use **must present the proposal to the appropriate Community Planning/Sponsor Group and request their vote on the project, prior to submittal of the NOFA application.** The application must document the Planning/Sponsor Group's response to the presentation and/or vote on the proposal, if one was taken.

Crime-Free Multifamily Housing Program

Proposals must contain an element designed to provide Crime-Free Multifamily Housing in apartment complexes within the Urban County. This provision is included in order to ensure a crime-free environment for residents. It would provide special services in apartment developments to decrease all types of illegal activities, and would include an educational component for owners and renters, physical inspections to improve lighting and landscaping, and information-sharing to establish neighborhood identity. These services are supported by the County Sheriff's Department Crime-Free Multifamily Housing program. Through the Community-Oriented Policing and Problem-Solving Unit, the Sheriff provides informational sessions on how to cut crime in multifamily neighborhoods. Expenses associated with the Crime-Free Multifamily Housing Program for the proposed project should be covered in the project budget. An outline of the project's Crime-Free Housing Program must be submitted with the application. In addition, a full description of the project's crime-free program must be included in the Management Plan.

Applicant's Disclosure Statement

Applicants must identify the individual(s) authorized to negotiate on behalf of the Applicant and identify members of the development team. Include the credentials of the development team members. (Use Attachment E.) Applicants must also disclose any current or previous relationship between the Applicant and the proposed Construction Contractor.

Evidence of Compliance with Previous HCD Loans (Use Attachment F.)

Minimum Organization Standards for Nonprofit Developers

Nonprofit applicants for HCD loans must provide certification of the following organization standards:

- A minimum of four directors establishes a quorum for conducting organization business;
- The organization conducts quarterly board meetings;
- Quarterly financial statements are reviewed by the board of directors; and,
- The executive director and other paid staff do not serve as voting board members.

Timeline for Loan Closing and Disbursement of Funds

Time is of the essence to expend committed funds. Upon approval of a loan commitment, funds will be reserved for the project for a maximum of one year, but may be withdrawn earlier if satisfactory progress is not demonstrated. In extraordinary circumstances, requests for time extensions may be approved, if accompanied by appropriate justification. HCD, in its sole discretion, may approve or deny such requests.

Recipients will be required to execute a loan agreement, promissory note, deed of trust, regulatory agreement, and other related loan and construction documents. .

The County of San Diego reserves the right to reallocate funds from one approved project to another or to a new activity, or to cancel fund reservations at its discretion, if projects are not proceeding satisfactorily (in the sole opinion of HCD) towards commencement of the proposed activity. In addition, the Director of HCD is authorized to negotiate and execute all contracts within 12 months of approval by the Board of Supervisors or the Housing Authority Board of Commissioners, and to take all necessary actions for the submittal and/or regulatory processing for the implementation of affordable housing projects.

REQUIREMENTS FOR FUNDING

Once the Board of Supervisors approves the development, the applicant must submit the following items prior to funding.

General Liability Insurance

Funding recipients will be required to obtain comprehensive general liability insurance with the County of San Diego named as an additional insured. Also required is property insurance in an amount equal to 100 percent of the replacement cost of the structure, with a lender's loss payable endorsement in favor of the County of San Diego. There may be additional insurance requirements, at the discretion of the County Risk Manager, depending on the complexity and scope of the proposed project. (See Attachment J for standard County insurance requirements.)

Lender's Insurance Policy

An American Land Title Association ("ALTA") policy insuring the Housing Authority of the County of San Diego is required.

Management Plan

The applicant will be required to submit a Management Plan for review and approval by HCD. The applicant's attention is called to HOME Program Regulations 24 CFR 92.253, which require certain tenant and participant protections for all rental housing funded by the HOME Program and to the HCD requirement for a crime-free element in the Management Plan. Also required is a copy of the sample lease agreement and any addenda. (Use the checklist in Attachment K.)

APPLICATION CHECK LIST

Please complete the following checklist and submit this form with the application.

All pages 8.5 x 11 inches

One master copy and one copy; both signed; in 3-ring binders.

General Requirements for Submittal

- ☐ NOFA Application and Project Summary
- ☐ Development Forms (Rental Income, Operating Expense, and Multi-year Cash Flow)

ATTACHMENTS:

- ☐ Appraisal, dated within 60 days of the final purchase offer
- ☐ Articles of Incorporation and By Laws
- ☐ Audited Financial Statements/Single Audit (less than 1 year old)
- ☐ Board Resolution
- ☐ Certifications:
 - For CBDOs, a copy of CBDO certification
 - For CHDOs, a copy of CHDO certification
 - For nonprofit organizations, proof of 501(c)(3) status and an up-to-date roster of the applicant's board of directors.
- ☐ Certificate of Compliance with HCD Equal Opportunity Program
- ☐ Community Review Documentation
- ☐ Crime Free Multifamily Housing Element
- ☐ Applicant Disclosure Statement
- ☐ Evidence of Compliance with Previous HCD Loans
- ☐ Partnership Agreement (if applicable)
- ☐ Schedule and Analysis of Real Estate Owned
- ☐ Project Timeline

The following requirements need not be submitted with the initial NOFA application. However, the applicant is encouraged to submit available documentation for the requirements below.

Requirements for Funding

- ☐ General Liability Insurance
- ☐ Lender's Insurance Policy
- ☐ Management Plan

The proposal and its submittals have been reviewed for completeness using the checklist above.

Authorized Signature: _____ Title: _____ Date: _____

Applicant Experience

Attach pages as necessary to describe the following:

A. Organization

Describe the following for the organization:

1. Mission Statement
2. Past activities/experience
3. Administrative structure

B. Technical Capacity

1. Describe the organization's capability to administer the housing development proposed.
2. Describe the development team's experience in rehabilitation, construction, and/or management and ownership.
3. Attach resumes of staff and consultants specifically assigned to this development and describe contractual relationship.

_____ Number of rental housing developments/units completed.

_____ Number of rental housing developments/units currently owned.

_____ Number of rental housing developments/units currently managed.

_____ Number of rental housing developments/units in development phase (funding committed but not ready for occupancy)

C. In accordance with Board Policy B-39a, all recipients must adopt a policy to ensure that every effort is made to provide equal opportunity to Disabled Veterans Business Enterprises and to encourage the participation of minority and women business vendors, contractors, and subcontractors. Attach the adopted Policy.

Financial Feasibility

Attach pages as necessary to explain the following:

Describe any in-kind contributions to the project. Include the name(s) of the contributors, the items or services that are being contributed and the value of the contribution.

Describe a plan for repayment of this requested loan amount.

Innovation

Attach pages as necessary to explain the following:

Describe the extent to which the proposed development involves a new or innovative approach (either physical, financial, or managerial) to meet the housing needs of low-income residents.

Certification

The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.

Authorized Signature [Board Officer]

Typed Name

Title

Date Signed

Return one original and one signed copy (each in a three-ring binder) of the NOFA General Application, Attachments and NOFA Supplement to:

**Department of Housing and Community Development
County of San Diego
Attn: Community Development Division
3989 Ruffin Road
San Diego, CA 92123-1890**

NOFA ATTACHMENTS

ATTACHMENT A

FUNDING SOURCES

HOME Investment Partnerships (HOME) Program Summary Statement

Authorized under the National Affordable Housing Act of 1990, HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds can be used for the construction/acquisition/rehabilitation of rental housing, homebuyer assistance, tenant-based rental assistance (including rental assistance for victims of domestic violence), and owner-occupied rehabilitation. As required in section 92.218 of the HOME regulations, any HOME funds expended require a 25 percent match. In addition, HOME Program regulations require that 15 percent of HOME Program funds be set aside for Community Housing Development Organizations (CHDOs). CHDOs are defined in the HOME regulations at 24 CFR 92.2 (“Definitions”). For more information, please see <http://www.hud.gov/offices/cpd/affordablehousing/training/materials/building/ch03.pdf>, or contact HCD staff at (858) 694-8741. The remaining HOME funds are available to government agencies or jurisdictions, nonprofit organizations, and private developers. See attached HOME Program Highlights (Attachment B).

ATTACHMENT B

HOME PROGRAM BASICS

This information is highly abridged and is applicable only to this NOFA. Applicants are responsible for reviewing and adhering to the complete Home Investments Partnership Program Regulations at: 24 CFR 92 http://www.access.gpo.gov/nara/cfr/waisidx_10/24cfr92_10.html

HOME ASSISTED UNITS

Only units receiving HOME funds are considered "HOME assisted units." HOME per unit subsidy limits, rent limits, and HOME occupancy requirements apply only to "HOME assisted units."

HOME SUBSIDY LIMITS

- A. Minimum HOME funds - \$1,000 per HOME-assisted unit.
- B. Maximum HOME funds are limited by THE LESSER OF:
1. HOME assistance cannot exceed the HUD 221(d)(3) subsidy limits which limit the maximum subsidy amounts per HOME unit:

Bedrooms Size	Maximum HOME Subsidy Per Unit (January 2011)
0 Bedrooms	\$128,698
1 Bedrooms	\$147,530
2 Bedrooms	\$179,398
3 Bedrooms	\$232,080
4+ Bedrooms	\$254,753

- OR** 2. HOME assistance per unit may not exceed the development cost per unit. This prevents HOME funds from subsidizing non-HOME assisted units, which are not under HOME occupancy and rent controls. HOME projects may not receive more subsidy than what is required to produce financially feasible projects.

HOME AFFORDABILITY REQUIREMENTS

HOME assisted units must be affordable at initial occupancy and over an established "affordability period."

OCCUPANCY REQUIREMENTS FOR HOME ASSISTED UNITS

HOME assisted units must be initially occupied by families who have annual incomes that are 60 percent or less of San Diego's Area Median Income. In projects of five or more units, at least 20 percent of the HOME assisted units must be continually occupied by families who have annual incomes that are 50 percent or less of San Diego's Area Median Income. (See Attachment D for income limits.)

MAXIMUM INITIAL RENTS FOR HOME ASSISTED RENTAL UNITS

Every HOME assisted unit is subject to rent controls called "HOME rents." For properties of five or more units, there are two HOME rents established for every project: "High HOME rents" and "Low HOME rents." Refer to Home Investments Partnership Program Regulations at 24 CFR 92.252 for a full definition. For a full description, please refer to the HOME website at

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

Note: The charts below ("High HOME rents" and "Low HOME rents") are for gross housing costs, from which utility allowances must be subtracted to calculate the net rent to owner. (See Attachment C for the current utility allowances.)

A. "High HOME Rents" All of a project's HOME assisted units must have rents not higher than the **LESSER OF:**

1. "HUD-published Fair Market Rents" for existing housing in the area, minus tenant-paid utilities
OR
2. "HUD-published HOME rents," which are 30 percent of income (adjusted for family size) for households at 65 percent of area median income, minus tenant-paid utilities.

"HIGH HOME RENTS": For all HOME-assisted units use the lesser of rows A1 or A2 <i>(as of Dec 2011)</i>	0 Bd	1 Bd	2 Bd	3 Bd	4 Bd	5 Bd
A1. "HUD - Published Fair Market Rents" *NOTE –subtract tenant paid utility allowances from Attachment C to calculate net maximum rent	\$984	\$1126	\$1378	\$1960	\$2421	\$2784
A2. "HUD-Published High HOME Rent" at 65% of AMI *NOTE –subtract tenant paid utility allowances from Attachment C to calculate net maximum rent	\$920	\$987	\$1187	\$1362	\$1500	\$1637

B. "Low HOME Rents" For properties with five or more HOME assisted units at least 20 percent of a project's HOME assisted units must have rents no greater than:

"HUD-published HOME rents" which are 30 percent of adjusted income for households at 50 percent of area median income, minus tenant-paid utilities. However, if this rent is higher than the applicable rent under "A," then the maximum rent for these units shall be the rent calculated under part "A."

"LOW HOME RENTS": <i>(as of Dec 2011)</i>	0 Bd	1 Bd	2 Bd	3 Bd	4 Bd	5 Bd
"HUD-Published Low HOME Rent" at 50% of AMI *NOTE –subtract tenant paid utility allowances from Attachment C to calculate net maximum rent	\$722	\$774	\$928	\$1073	\$1197	\$1321

C. Based on future HUD calculations, "HOME rents" may increase or decrease over the required affordability term. HOME rents could decrease, but project rents are not required to fall below the HOME rent limits in effect at the time of project commitment.

HOME ASSISTED UNIT RESTRICTIONS:

- The affordability period for HCD projects is 55 years.
- Tenant incomes and rents are strictly controlled during the affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet the HOME income requirements.
- The rent and occupancy restrictions will be incorporated into a regulatory agreement and will bind the project for the full term of the regulatory agreement, regardless of prepayment, sale or transfer.

PROPERTY INSPECTIONS REQUIREMENTS

Projects must be inspected throughout the affordability period to ensure that the units are decent, safe and sanitary. Projects with one to four total units must be inspected every three years; projects with five to 25 total units must be inspected every two years; projects with 26 total units or more must be inspected every year. The above timeframes are minimums under the regulations.

ATTACHMENT C

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

OMB Approval No. 2577-0169
HUD-52667 (12/97)
ref. Handbook 7420.8

Department of Housing and Community Development 3989 Ruffin Rd., San Diego CA 92123-1890 Serving as the Housing Authority of the County of San Diego			Unit Type		Date (mm/dd/yyyy)		
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Payment Standards (10/01/2011) for new contracts, recerts effective 11/2012	886	1014	1241	1764	2179	2506	2833
Payment Standard for (10/01/10) Use for Recert/Interim until 11/2012 recerts	904	1035	1266	1800	2223	2557	2890
Payment Standards (03/01/2010) for new contracts, effective 3/20/10- 9/30/2010	851	974	1192	1695	2094	2407	2721
Fair Market Rent (10/1/2011)	984	1126	1378	1960	2421	2784	3147
Monthly Dollar Allowances							
Utility Or Service (7/1/2011)	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Heating a. Gas/Other	3	4	6	7	9	10	12
b. Oil /Electric	4	6	8	10	12	14	16
Cooking a. Gas/Other	2	3	3	4	5	6	7
b. Oil/Electric	2	3	4	5	7	8	9
Basic Electricity	14	19	25	30	38	44	50
Air Conditioning	1	1	1	1	2	2	2
Water a. Gas/Other	7	9	12	15	19	21	24
Heating b. Oil / Electric	9	13	16	20	25	29	33
Water	37	52	67	82	104	119	135
Sewer	20	27	35	43	55	63	71
Trash Collection	24	24	24	24	24	24	24
Range/Microwave	3	3	3	3	3	3	3
Refrigerator	7	7	7	7	7	7	7
Flat Rate Water (any flat rate parks, apartments)	20	20	20	20	20	20	20
Flat Rate Sewer (any flat rate parks, apartments)	20	20	20	20	20	20	20
Flat Rate Trash (any flat rate parks, apartments)	15	15	15	15	15	15	15

Mobilehome Owner: PS = \$751 (12/1/06); FMR = \$736 (10/1/08)

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	Per month cost
Heating	
Cooking	
Other Electric	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Air Conditioning	
Other	
Total	\$

Instructions: Circle actual bedroom size. Circle the appropriate payment standard (the lower of: size of unit, or number of bedrooms on Housing Choice Voucher). Circle appropriate allowances for all tenant paid/provided utilities, services and appliances. Use allowances for actual unit size, rather than the utility allowances for the HCV bedroom size). Complete and total utility costs in the right hand bottom section. Mobilehomes/flat rate apartments have different utility allowances for water, sewer and trash.

Fair Market Rents effective: 10/01/2011

Payment Standards Effective: 10/01/2011

Utilities Effective: 07/01/2011

Note: The FMRs for unit sizes larger than 4BRs are calculated by adding 15% to the 4BR FMR for each extra bedroom. For example: the FMR for a 5BR unit is 1.15 times the size of the 4BR FMR, and the FMR for a 6BR unit is 1.30 times the 4BR FMR. Imputed Interest Rate: 2% effective 08/2004.

ATTACHMENT D

2012 HUD AREA MEDIAN INCOME FOR THE COUNTY OF SAN DIEGO

\$75,900

Effective December 1, 2011

% of Median Income	Size of Family	Maximum Annual Income
<u>30%</u>	1	\$16,900
	2	\$19,300
	3	\$21,700
	4	\$24,100
	5	\$26,050
	6	\$28,000
	7	\$29,900
	8	\$31,850
<u>35%</u>	1	\$19,700
	2	\$22,500
	3	\$25,300
	4	\$28,150
	5	\$30,400
	6	\$32,650
	7	\$34,900
	8	\$37,100
<u>50%</u>	1	\$28,150
	2	\$32,150
	3	\$36,150
	4	\$40,150
	5	\$43,400
	6	\$46,600
	7	\$49,800
	8	\$53,000
<u>60%</u>	1	\$33,780
	2	\$38,580
	3	\$43,380
	4	\$48,180
	5	\$52,080
	6	\$55,920
	7	\$59,760
	8	\$63,600

% of Median Income	Size of Family	Maximum Annual Income
<u>65%</u>	1	\$36,550
	2	\$41,800
	3	\$47,000
	4	\$52,200
	5	\$56,400
	6	\$60,550
	7	\$64,750
	8	\$68,900
<u>80%</u>	1	\$45,000
	2	\$51,400
	3	\$57,850
	4	\$64,250
	5	\$69,400
	6	\$74,550
	7	\$79,700
	8	\$84,850
<u>100%</u>	1	\$53,150
	2	\$60,750
	3	\$68,350
	4	\$75,900
	5	\$82,000
	6	\$88,050
	7	\$94,150
	8	\$100,200
<u>120%</u>	1	\$63,800
	2	\$72,900
	3	\$82,000
	4	\$91,100
	5	\$98,400
	6	\$105,700
	7	\$112,950
	8	\$120,250

1. Name of APPLICANT:
2. Address and Zip Code:
3. Telephone:
4. Name of Principal Contact for APPLICANT:
5. Federal Identification Number or Social Security Number of APPLICANT:
6. If the APPLICANT is not an individual doing business under his own name, the APPLICANT has the status indicated below and is organized or operating under the laws of California as:
 - _____ A corporation (Attach Articles of Incorporation)
 - _____ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation, Bylaws, and documentary evidence verifying current valid nonprofit or charitable status.)
 - _____ A partnership known as: _____
(Name)
Check one
 - ☐ General Partnership (Attach statement of General Partnership)
 - ☐ Limited Partnership (Attach Certificate of Limited Partnership)
 - _____ A business association or a joint venture known as:
_____ (Attach joint venture or business association agreement)
 - _____ A Federal, State, or local government or instrumentality thereof.
 - _____ Other (explain)
7. If the APPLICANT is not an individual or a government agency or instrumentality, give date of organization:

8. Provide names, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the APPLICANT, other than a government agency or instrumentality, as set forth below:

- A. If the APPLICANT is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
- B. If the APPLICANT is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- C. If the APPLICANT is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- D. If the APPLICANT is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- E. If the APPLICANT is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.

Name, Address and <u>Zip Code</u>	Position Title (if any) and percent of interest or description <u>of character and extent of interest</u>
--------------------------------------	---

(Attach extra sheet if necessary)

- 9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.
- 10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
- 11. Provide name, nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10 percent interest in the APPLICANT (for example, more than 20 percent of the stock in a corporation which holds 50 percent of the stock of the APPLICANT or more than 50 percent of the stock in the corporation which holds 20 percent of the stock of the APPLICANT):

Name, Address and <u>Zip Code</u>	Position Title (if any) and <u>extent of interest</u>
--------------------------------------	--

- 12. Names and title (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:
- 13. If funds for the development/project are to be obtained from sources other than the APPLICANT's own funds, provide a statement of the APPLICANT's plan for financing the development/project:

14. Provide sources and amount of cash available to APPLICANT to meet equity requirements of the proposed undertaking:

A. In banks/savings and loans:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

B. By loans from affiliated or associated corporations or firms:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

C. By sale of readily salable assets/including marketable securities:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$	\$

15. Provide a narrative disclosing any current or previous relationship between the Applicant and the proposed Construction Contractor. Indicate if there is no prior relationship.

ATTACHMENT F
EVIDENCE OF COMPLIANCE WITH PREVIOUS HCD LOANS

Part A (to be completed by Applicant)

Project	Address	Total Funds	Purpose
1			
2			
3			
4			
5			
6			

Signed: _____

Date: _____

Part B - Affordability Restrictions (to be completed by HCD staff)

The Project(s) listed above is/are in Compliance: YES ☐ NO ☐

Comments: _____

Signed: _____

Date: _____

Part C - Contract Monitoring (to be completed by HCD staff)

The Project(s) listed above is/are current: YES ☐ NO ☐

Annual Reports are submitted when due: YES ☐ NO ☐

Comments: _____

Signed: _____

Date: _____

Part D – Residual Receipts Payment Record (to be completed by HCD staff)

Are Residual Receipts being received? YES ☐ NO ☐

Year	Amount Projected	Amount Received
2008		
2009		
2010		

Comments:

Signed: _____

Date: _____

ATTACHMENT G
SAMPLE BOARD RESOLUTION

[Letterhead of Applicant]

RESOLUTION OF BOARD OF DIRECTORS
OF

WHEREAS, this entity has a minimum of four directors who constitute a quorum for conducting organization business; the organization conducts quarterly board meetings; quarterly financial statements are reviewed by the board; and, the executive director and other paid staff do not serve as voting board members;

WHEREAS, ___ is a _____ [Status of Corporation, i.e. A Nonprofit Public Benefit Corporation, qualified pursuant to the provisions of Internal Revenue Code Section 501 (c) (3), etc.];

WHEREAS, _____, recognizes that the community at large, and especially low-income residents have many diverse needs for social, housing, education and other services;

WHEREAS, _____, is committed to effectively serving the communities referenced in the prior recital; and

NOW THEREFORE BE IT RESOLVED as follows:

1. That _____ is committed to providing safe, decent and affordable housing for persons of very low, low and moderate-income levels;
2. That on or about _____ 201____, the Board of Directors voted to authorize the _____ [title of person authorized], or his designee, to apply for and accept assistance of the Project located at _____ [address], for the purpose of obtaining financing and or a grant to provide for the _____
_____[purpose, i.e. acquisition, rehabilitation, refinancing, tenant relocation, construction, etc.] of the Project, in an amount not to exceed _____ (\$_____) from the County of San Diego, Department of Housing and Community Development.
3. That the Board of Directors further voted to authorize the _____ [title of person], or his designee, to execute any and all documents required by the County of San Diego, Department of Housing and Community Development, including, without limitation, the Promissory Note, the Deed of Trust, the Regulatory Agreement, the Security

Agreement, the Development Agreement, the UCC Financing Statement, the Standard Agreement, Escrow Instructions, Disclosure Statements, and any and all other documents requested by the County of San Diego, Department of Housing and Community Development, to document and secure its loan and or grant.

4. That the Board of Directors further authorized the _____ [title of person], or his designee, to perform all acts and to do all things necessary, in the opinion of the County of San Diego, Department of Housing and Community Development to implement the funding and making of the Loan and/or Grant

I, the undersigned, certify that this Resolution was adopted at regularly or specially noticed meeting of the Board of Directors on _____, 201____, at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the Resolution and that the Resolution has not been rescinded, modified or canceled as of the date of my execution of the same and that it remains in full force and effect as of this date. I further understand that the County of San Diego, Department of Housing and Community Development is relying on the validity of this Resolution in taking the actions to process and approve the application.

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 201____, at San Diego, California.

By: _____

Title: _____

ATTACHMENT H
***EQUAL OPPORTUNITY PROGRAM FOR CONTRACTORS DOING BUSINESS WITH THE
COUNTY OF SAN DIEGO***

The County of San Diego is committed to an Equal Opportunity Program pursuant to applicable State and Federal laws and guidelines, which provide Equal Opportunity in all activities of the agency, including the employment of individuals and firms which contract with The County of San Diego.

CERTIFICATE OF COMPLIANCE

(Name of Contractor)

As an authorized official for the above named Contractor, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws as well as any other applicable local, state and federal Equal Opportunity Programs.

Further, I am submitting an acceptable Equal Employment Opportunity Plan. This plan will address the affirmative action that will be taken by this Contractor to eliminate any discriminatory outreach or hiring practices, if they exist, and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

Name of Authorized Official

Title

Signature of Authorized Official

Date

ATTACHMENT I
SCHEDULE AND ANALYSIS OF REAL ESTATE OWNED

To be attached to and made a part of the loan application on property at _____

Dated: _____

PROPERTY ADDRESS	NO. UNITS	LENDER NAME AND ADDRESS	LOAN NO.	CURRENT BALANCE	MARKET VALUE	ANNUAL RENTAL	ANNUAL TAXES & INS.	ANNUAL EXPENSES	ANNUAL PRIN. INT. PYMT	CASH FLOW
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								

NOTE: If ownership on any above is shared, list prorated amounts above and explain percent shared under remarks below.

REMARKS:

ANNUAL
Monthly

ATTACHMENT J

HCD INSURANCE AND BOND REQUIREMENTS

BORROWER'S INSURANCE REQUIREMENTS

Without limiting Borrower's indemnification obligations to County under this Regulatory Agreement, Borrower shall provide and maintain for the duration of this Regulatory Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Borrower's operation and use of the Property. The cost of such insurance shall be borne by the Borrower.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils, in an amount of 90% of the full replacement cost of the Building and Improvements, without deduction for depreciation, including costs of demolition and debris removal. Such policy or policies of insurance shall include coverage for Borrower's fixtures and any items identified in this Regulatory Agreement as improvements to the Property.
- E. Rental Income Insurance assuring receiving the minimum monthly rent in the event the Property are damaged or destroyed, with a minimum period of coverage of one (1) year.

2. Minimum Limits of Insurance

Borrower shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retention

Any liability deductible or self-insured retention must be declared to and approved by the County's Risk Manager. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Borrower.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Regulatory Agreement, the Borrower's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County at the address shown in section 35 of this Regulatory Agreement entitled "Notices".

D. Loss Payee Clause

County of San Diego, Department of Housing & Community Development, shall be named as Loss Payee on the property coverage. The Loss payee clause should read:

County of San Diego, Department of Housing & Community Development,
3989 Ruffin Road, San Diego, CA 92123

General Provisions

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager.

6. Evidence of Insurance

Prior to commencement of this Regulatory Agreement, but in no event later than the effective date of the Regulatory Agreement, Borrower shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Borrower shall furnish certified copies of the

actual insurance policies specified herein, in the event of a Loss. Thereafter, copies of renewal certificates and amendatory endorsements shall be furnished to County within thirty days of the expiration of the term of any required policy.

7. Failure to Obtain or Maintain Insurance; County's Remedies

Borrower's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements, or failure to make premium payments required by such insurance, shall constitute a material breach of the Regulatory Agreement, and County may, at its option, terminate the Regulatory Agreement for any such default by Borrower.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by the Borrower, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Borrower pursuant to the Regulatory Agreement, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Borrower to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Self-Insurance

Borrower may, with the prior written consent of County's Risk Manager, fulfill some or all of the insurance requirements contained in this Regulatory Agreement under a plan of self-insurance. Borrower shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Manager, Borrower's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Regulatory Agreement. Borrower's utilization of self-insurance shall not in any way limit liabilities assumed by Borrower under this Regulatory Agreement.

11. Waiver of Subrogation

Borrower and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Borrower's improvements, and alterations of either County or Borrower in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Borrower, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Borrower shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

CONTRACTOR'S BONDS

A. Contract Bonds

Prior to commencement of construction, Contractor shall file with the County on the approved forms, the two surety bonds in the amounts and for the purposes noted below, duly executed by a reputable surety company satisfactory to County, and Contractor shall pay all premiums and costs thereof and incidental thereto, as security for payment of persons named in California Civil Code Section 3181 or amounts due under Unemployment Insurance Code with respect to Work or Labor performed by any such claimant. All alterations, time extensions, extra and additional work, and other changes authorized by the Specifications, or any part of the Contract, may be made without securing consent of the surety or sureties on the contract bonds. Each bond shall be signed by both Contractor and the sureties.

- (1) The "payment bond for public works" shall be in an amount of one hundred percent (100%) of the Contract price, as determined from the prices in the bid form, and shall inure to the benefit of persons performing labor or furnishing materials in connection with the work of the proposed Contract. This bond shall be maintained in full force and effect until all work under the Contract is completed and accepted by the County, and until all claims for materials and labor have been paid.
- (2) The "performance bond" shall be in an amount of one hundred percent (100%) of the Contract price as determined from the prices in the bid form, and shall insure the faithful performance by Contractor of all work under the Contract. It shall also insure the replacing of, or making acceptable, any defective materials or faulty workmanship.

B. Qualification of Sureties

Should any surety or sureties be deemed unsatisfactory at any time by the County, notice will be given Contractor to that effect, and Contractor shall forthwith substitute a new surety or sureties satisfactory to the County. No further payment shall be deemed due or will be made under the Contract until the new sureties qualify and are accepted by the County.

MANAGEMENT PLAN CHECKLIST

The applicant will be required to submit a Management Plan for review and approval by County HCD. The reader's attention is called to HOME Program Regulations 24 CFR 92.253, which require certain tenant and participant protections for all rental housing funded by the HOME Program and to the HCD requirement for a crime-free element in the Management Plan (as described on page 6). Also required is a copy of the sample lease agreement and any addenda.

The Management Plan is required to follow the format below.

Management

- ☐ Role and Responsibility of the Owner and/or Delegation of Authority of the Managing Agent
 - ☐ Description of Site/Units
 - ☐ Scope of Duties
 - ☐ Changes in Management
- ☐ Personnel Policy and Staffing Arrangements
 - ☐ Hiring and Personnel Policies
 - ☐ Projected Staffing (On-Site Manager 16 or more units)
 - ☐ Training and Monitoring
 - ☐ Hiring of Residents
- ☐ Maintaining Adequate Accounting Records and Handling Necessary Forms and Vouchers
 - ☐ Accounting Basis
 - ☐ Collections and Disbursements
 - ☐ Contracting, Purchasing, Cost Controls
 - ☐ Compliance and Reporting
 - ☐ Vacancies and Rent Losses
 - ☐ Security Deposits
- ☐ Provisions for Update of Management Plan
- ☐ Insurance

Occupancy

- ☐ Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy
 - ☐ Outreach (Affirmative Fair Housing Marketing/Advertising)
 - ☐ Resident Selection
 - ☐ Waiting List
 - ☐ Orientation
- ☐ Procedures for Determining Resident Eligibility and for Certifying and Annually Recertifying Household Income and Size
 - ☐ Initial Certification
 - ☐ Recertification
 - ☐ Changes in Eligibility During Occupancy
 - ☐ Leasing Procedures
- ☐ Rent Collection
 - ☐ Rent Payment
 - ☐ Late Rents
 - ☐ Rent Increases
- ☐ Procedure for Appeal, Grievance and Eviction
 - ☐ Right to Hearing
 - ☐ Eviction Procedures
- ☐ Plans for Enhancing Resident-Management Relations
 - ☐ Resident Organization(s)
 - ☐ Community Room
 - ☐ Auxiliary Program

Maintenance and Security

- ☐ Construction Follow-Up
- ☐ Maintenance Programs
 - ☐ Maintenance Duties
 - ☐ Maintenance Supervision and Performance
 - ☐ Tools
 - ☐ Resident Maintenance Requests
 - ☐ Resident Neglect and Abuse
 - ☐ Reconditioning for New Residents
 - ☐ Preventive Maintenance
 - ☐ Emergency Maintenance
 - ☐ Gardening and Landscape
 - ☐ Contract Maintenance
 - ☐ Maintenance Stock Control
- ☐ Security